

## Calendar No. 356

84TH CONGRESS }  
1st Session }

SENATE

REPORT  
No. 352

AMENDING THE LEGISLATIVE REORGANIZATION ACT OF 1946 TO  
PROVIDE FOR MORE EFFECTIVE EVALUATION OF THE FISCAL  
REQUIREMENTS OF THE EXECUTIVE AGENCIES OF THE GOV-  
ERNMENT OF THE UNITED STATES

MAY 17 (legislative day, MAY 2), 1955.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Government Operations,  
submitted the following

### R E P O R T

[To accompany S. 1805]

The Committee on Government Operations, to whom was referred the bill (S. 1805) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, having considered the same, report favorably thereon and recommend that the bill do pass.

#### PURPOSE

The primary purpose of this bill is to provide the Congress with the machinery necessary to enable it to meet its constitutional responsibilities in connection with the appropriation of funds required for the conduct of the Federal Government. It seeks to accomplish this objective by establishing a Joint Committee on the Budget, composed of members of the Senate and House Appropriations Committees, which would assist the Congress in exercising adequate control over the expenditure of public funds by the executive branch of the Government.

S. 1805 is designed to provide the same kind of expert staff facilities and detailed technical information for the Appropriations Committees of the Congress as the Bureau of the Budget provides for the executive branch. Precedent for this action is found in the Joint Committee on Internal Revenue Taxation which has provided joint expert staff facilities and technical information for the revenue committees of both Houses of the Congress for more than a quarter of a century.

## NEED FOR LEGISLATION

For many years, the Congress has labored under a tremendous disadvantage in connection with budget requests and justifications. Requests for funds are made by the executive branch, and witnesses who appear before the Appropriations Committees in support of these requested appropriations represent exclusively the point of view of that branch of the Government. Since it is their duty as officers of the Government to support all budget items contained in the President's budget, it becomes their function and responsibility to demonstrate that the specified amounts are necessary. For the most part, these requests are supported by elaborate justifications, based upon extensive research, and by the testimony of technical experts who have devoted many years to the fields in which they are working. Testimony from the public is rarely, if ever, received, and the only manner in which the public interest can be considered and protected, with respect to the purpose for which the funds are sought or their need or adequacy, is through careful scrutiny of requests and justifications by members of the Appropriations Committees. Other Members of Congress must rely largely upon the recommendations of these committees when funds are appropriated by the House and the Senate.

Unfortunately, committee members are so heavily burdened by other legislative duties and responsibilities that they are unable personally to give adequate attention to each budget item. Equally important, however, is the fact that they do not have adequate facilities for obtaining the information necessary to enable them to pass accurate judgment on the necessity for the budget requests. Thus, for the most part, they are forced to rely upon the representations made by the respective initiating agencies of the executive branch, whose representatives appear before these committees in an ex parte type of proceeding for the sole purpose of justifying their requests for funds. As a result, the Congress is often unable to obtain impartial information and facts to enable it to effect needed economies in the operations of the Government. Because the Congress is not adequately equipped to carry out its fiscal responsibilities, many millions of dollars have been appropriated in excess of the actual requirements of the Federal Government. These excesses have, in turn, added to the large recurring deficits which must be passed on to already overburdened taxpayers.

The duties and responsibilities of the Appropriations Committees, in connection with examining and passing upon budget requests for the operation of the Federal Government, have increased tremendously in recent years. These committees are presently staffed with competent professional personnel. It is virtually impossible, however, for their relatively small staffs to examine and evaluate the annual budget with its many thousands of items, running to approximately 1,200 pages each year, within the very limited time available. This precludes the detailed analysis which is so essential to the performance of the congressional function of controlling Federal expenditures.

As important as are the services rendered by the Joint Committee on Internal Revenue Taxation in the revenue field, the proposed Joint Committee on the Budget would be in a position to render far greater service to the Congress in a field that is much broader in

• nature and scope. Its functions would include analyses and reports on the details of program operations, a review of the actual administration of authorized functions, and the compilation of data on agency activities and program conformity with legislative authority, for the information of the Appropriations Committees, other committees, and to make such data available to individual Members of the Congress. With this information before them, the Appropriations Committees will be in a position to exercise informed judgment in supplying only such funds as are necessary. The importance of providing this type of service for the committees dealing with the appropriation of public funds is emphasized by the scope of the problems involved and the magnitude of Federal appropriations and expenditures.

This bill represents the culmination of years of careful study by the Committee on Government Operations, in an effort to evolve some method by which congressional fiscal procedures and controls can be improved in order that the legislative branch may assume its rightful position with respect to vital decisions affecting the future of the Nation. Confronted with imposing and increasing threats to the national economy because of ever-mounting spending pressures, both from internal sources and from abroad, it is essential that the Congress delay no longer in meeting this issue head on. This committee believes that S. 1805 offers a sound approach to the solution of these problems, in that it would definitely equip the legislative branch with adequate machinery to examine carefully every item of expenditure, so that appropriations may be limited to only as much and no more than is actually required to provide the minimum funds essential to the successful operation of the Government.

This proposed legislation is designed to remedy serious deficiencies related to appropriation procedures and the expenditure of public funds. It constitutes a positive approach to the elimination of extravagance, waste, and needless or excessive appropriations. The swollen cost of operating the Federal Government, with annual budgets ranging between 60 and 70 billions of dollars, and continued annual deficits of billions of dollars, that pyramid the already astronomical national debt, dictate the compelling necessity of reducing the cost of Government, where it is prudent to do so, in order to restore sound fiscal policies and lead to a balanced national budget.

#### ACTION BY THE SENATE IN THE 82D AND 83D CONGRESSES

That the Congress is aware of the seriousness of this situation is evidenced by the fact that it has already acknowledged the need for exercising more effective controls over the purse strings, through the enactment of section 138 of the Legislative Reorganization Act of 1946, which was conceived with a view to improving and modernizing congressional procedures in the consideration of the executive budget. This meritorious and well-intentioned effort on the part of the Congress, although failing to attain the objectives for which it was created, has served a useful purpose in pointing up the essential need for finding a workable substitute.

A bill similar to S. 1805 was first introduced on February 19, 1950, in the 81st Congress (S. 2898). In 1952, at the beginning of the 82d Congress, it was reintroduced, with some minor revisions, as S. 913. After public hearings and careful consideration, the Senate Committee on Government Operations unanimously reported S. 913

favorably, and on April 8, 1952, following full debate, the Senate, on a rollcall vote, approved it by 55 to 8.

The bill was again reintroduced in the 83d Congress as S. 833, under the sponsorship of 54 Members of the Senate, and was reported favorably on May 19, 1953, in the same form as in the previous Congress, with a further perfecting amendment, after hearings before the Subcommittee on Reorganization. S. 833 passed the Senate on May 23, 1953, under unanimous consent, and was referred to the House Committee on Rules, where no further action was taken.

#### MAJOR PROVISIONS OF S. 1805

Section 1 of the bill would establish a Joint Committee on the Budget composed of 14 members, 7 from the Appropriations Committee of the Senate and 7 from the Appropriations Committee of the House; 4 from the majority party and 3 from the minority party, to be chosen by the respective committees.

It is identical in purpose and intent to bills reported by the committee and approved by the Senate in the 82d and 83d Congresses. The bill, S. 1805, as reported by the committee, contains the same provisions as S. 833, as amended by the committee and approved by the Senate in the 83d Congress, with the following perfecting amendments:

The joint committee would be authorized to make such rules respecting its organization and procedures as it deems necessary (in lieu of specific rules as set forth in S. 833);

A new subsection has been added (subsec. (j), p. 8, S. 1805) to require that the annual budget shall include an analysis of all active long-term construction programs authorized by the Congress, showing for each the total estimated cost, the estimated expenditures during prior, current, ensuing and subsequent fiscal years, and that all grant-in-aid programs shall be included in the analysis covering grants of indefinite duration, and the annual cost for a 10-year period;

Section (2) (g) (1), which requires estimates of costs of programs authorized by committees of Congress from the departments and agencies projected over a 5-year period of operation, has been extended to provide that, if the chairman of the committee determines that no existing department or agency is primarily concerned with the proposed legislation, the estimate shall be made by the Bureau of the Budget; and

Subsection (g) (3) is amended to provide that the Joint Committee on the Budget shall maintain compilations of all estimates required by the bill and the printing of compilations for the information of Congress, instead of the Appropriations Committees, as provided in the original bill.

The joint committee would be authorized to elect a chairman and vice chairman from among its members at the first regular meeting of each session, with the chairman designated from among the members who are Members of the House of Representatives, and the vice chairman from among the members who are Members of the Senate in even-numbered years; and during odd years, the chairman shall be selected from among the members who are Members of the Senate, and the vice chairman shall be selected from among the members who are Members of the House of Representatives.

The proposed joint committee would be required to inform itself on all aspects of the annual budget of the agencies of the Government, to examine expenditure reports, and to investigate the details of Federal operations in order that the Appropriations Committees might be provided with detailed information concerning each item in the budget and the justifications therefor. It would also be required to fully utilize information emanating from the Joint Committee on Internal Revenue Taxation and all other sources as to estimated revenues and changing economic conditions, in order that a well-considered fiscal program may be devised to hold expenditures to the minimum in relation to anticipated Federal revenues and consistent with essential requirements of Government operations and the national security.

In addition, the joint committee would be authorized to report on and recommend appropriate legislative changes to standing jurisdictional committees so that they may eliminate wasteful practices and correct deviations from programs authorized by the Congress, and to recommend cutbacks in such programs when in the public interest.

To aid the Committees on Appropriations in determining the action necessary to conform to this program, the joint committee is required to submit, at the beginning of each regular session of Congress, and periodically as deemed necessary, schedules of total estimated costs of all programs and projects authorized by the Congress, together with estimated costs of such programs and projects during the current, succeeding, and subsequent fiscal years where the program extends for more than 1 year.

The joint committee, or any subcommittee thereof, is vested with power to hold hearings, issue subpoenas, take testimony, and to make such expenditures as are necessary to carry out its functions within the amount appropriated therefor.

The bill authorizes the appointment of a staff director, an associate staff director, and such other professional, technical, and clerical employees as may be necessary to carry out the duties of the joint committee without regard to civil-service rules or the Classification Act of 1949, as amended. The staff director shall be appointed by and responsible to members of the party of which the chairman of the joint committee is a member, and the associate staff director shall be appointed by and responsible to members of the opposition party. The bill also requires that no person shall be employed until data with respect to him, after a thorough investigation of his loyalty and security by the Federal Bureau of Investigation, has been made available to, and his appointment approved by, the joint committee.

The members of the staff would be made available to the Committees on Appropriations, and the several subcommittees thereof, during periods when appropriation bills are pending before the respective bodies, and staff members, upon the written authority of the chairman or vice chairman, are provided with authority to examine fiscal books, documents, papers, and reports of any Federal agency and data related to proposed appropriations included in the annual budget transmitted by the President.

The bill requires that the annual budget shall include an analysis of all active long-term construction programs authorized by the Congress, showing for each the total estimated cost, the estimated expenditures during prior, current, ensuing, and subsequent fiscal years, and that

all grant-in-aid programs shall be included in the analysis covering grants of indefinite duration, and the annual cost for a 10-year period.

Members of the staff of the Bureau of the Budget are to be assigned to attend executive sessions of the subcommittees of the Appropriations Committees with reference to proposed appropriations, as may be required.

The Comptroller General of the United States is directed, at the request of the chairman of the joint committee, to make such investigations and reports with respect to any agency as will enable the joint committee to give adequate consideration to items relating to the agency indicated. Authority is granted to the Comptroller General to employ such technical and professional personnel as may be required to comply with the request of the chairman of the joint committee without regard to civil-service laws, rules, or regulations, and to fix their compensation without regard to the Classification Act of 1949, as amended. This new function of the General Accounting Office would be in addition to its present authority of performing postaudit functions on behalf of the Congress.

Section 2 provides that all committees recommending legislation which would authorize appropriations must include in their reports estimates as to the initial cost of the project or programs and their continuing cost over the succeeding 5 years, based on estimates from the department or agency primarily concerned, after review by the Bureau of the Budget. It provides further that, if the chairman of the committee determines that no existing department or agency is primarily concerned with the proposed legislation, the estimate shall be made by the Bureau of the Budget. The joint committee would be required to maintain compilations of all such estimates, and to print such compilations annually for the information of Members of the Congress.

Section 3 of the bill authorizes the joint committee to recommend joint hearings by the Appropriations Committees and subcommittees thereof, in the interest of expediting action on appropriation measures. This would insure conservation of the time and energy of the members of these committees and administrative officials of the Government, without in any way interfering with the independence of separate committee deliberations and decisions.

In connection with joint hearings provided for in section 3, it merits mention that considerations of time have proved to be one of the two major stumbling blocks of the omnibus appropriation bill approach which was abandoned in the House of Representatives after a single year of trial. Joint hearings would greatly ease that timing problem, because members of the subcommittees of the Senate Appropriations Committee would participate at early dates each year in the joint hearings with their opposite Members in the House of Representatives, and would be prepared to act almost immediately on the many appropriation items which are frequently subjected to little or no change as reported and as passed by the House of Representatives. Further hearings would presumably be limited to those appropriation items where Senate Appropriations subcommittees felt additional information is needed because of substantial cuts or increases in proposed appropriations as finally voted in the House of Representatives.

Manifestly such savings of time would be of great practical value. They should prove to be persuasive elements in stimulating the increased use of joint hearings even though section 3 of the bill recommends such hearings on an entirely optional basis so as not to invade the rights and prerogatives of either House. This advantage should be of special interest to the many Senators and Representatives who hold the omnibus appropriation bill approach in high favor.

HEARINGS IN 82D AND 83D CONGRESSES

Further hearings on S. 1805 were held to be unnecessary, since extensive hearings were held on the predecessor bill, S. 913, during the 82d Congress on May 15, 16, and 17, 1951, at which all witnesses, representing the Congress, State taxpayers associations from all sections of the country, the American Institute of Accountants, National Association of Manufacturers, and various other groups strongly supported the objectives of the bill, although there were some differences as to the detailed provisions of such proposed legislation.

Following these hearings, the committee also held extensive hearings on proposed amendments to the Legislative Reorganization Act of 1946, in carrying out its functions to evaluate the effects of laws enacted to reorganize the legislative branch. At these subsequent hearings numerous witnesses urged that immediate steps be taken by the Congress to improve its fiscal controls. Typical of the statements made in connection with this pending proposal is the following extract quoted from the testimony of Mr. Carter W. Atkins, executive director of the Connecticut Public Expenditure Council, who appeared before the committee on June 13, 1951:

My own recommendation is that we forget about revising the legislative budget and concentrate our energies in the direction proposed by your committee chairman in S. 913, which provides for the Joint Committee on the Budget. \* \* \* Control of Federal finances will only be achieved by constant and continuous attention to the problem by the most competent professional and technical staff obtainable, working under conditions which favor their retention in office regardless of what party is in power. We need a joint committee to control Federal spending as much as we need the presently highly regarded Joint Committee on Internal Revenue Taxation, and we need a staff qualified to do the job the committee is authorized to perform. A few days of frantic effort in the early days of the Congress and a half-hearted declaration of congressional intent, as expressed in a resolution adopting the legislative budget, are no substitute for good, hard, continuous work by an interested committee backed by highly able staff work. I do not, therefore, recommend that the legislative budget be resuscitated, but rather suggest that this is one sleeping dog that should be allowed to rest in peace, and permanently.

Mr. Frederick J. Lawton, then Director of the Bureau of the Budget, in testifying before the committee on May 17, 1951, pointed up the fact that the tremendous increase in the size and scope of the Federal budget during recent years has produced entirely new and challenging problems for the Congress, and that the rapid growth of the Federal budget to where it now approximates 25 percent of our national income makes it one of the most significant factors in the economic and social life of the Nation. Mr. Lawton stated that the problem the Congress faces in attempting to come to grips more realistically with the Government's financial program is twofold:

First, there is the problem of identifying and agreeing in Congress on the kind and amount of essential information needed to evaluate both the budget as a

whole and its thousands of components; (and) second, there is the problem of providing within the Congress itself the kind of structure that can make the fullest and most effective use of this information \* \* \*.

The major determinant in any budget is not how much money is needed to run a given activity efficiently. It is rather a determination on whether the activities should be conducted at all and, if so, at what level. Yet decisions on individual activities must be made in the light of a host of factors—the expenditure and revenue outlook, economic conditions, provisions of existing law, and many others.

In commenting specifically as regards the purposes of S. 913, Mr. Lawton concluded—

A joint committee on the budget, with the broad job just outlined would not duplicate the present work of the Appropriations Committees on the appropriation requests placed before them, but would instead provide Congress with a superior review of the whole budget situation. Such a joint committee might also be of further assistance to the Congress in dealing with such matters as determining the format of the budget, which would be most helpful to Congress in acting thereon, reviewing the many types of appropriations now found in our appropriation structure and providing for a simplification thereof, arriving (cooperatively with the executive branch) at a simple system of "scorekeeping" on appropriations and other expenditure authorizations, coordinating and digesting for the Congress the many matters pertaining to Government finance and spending that come to it from many sources, and generally assisting the Congress to get on top and stay on top of the budget.

Hearings were held on S. 833 during the 83d Congress, by the Subcommittee on Reorganization, following which the bill was again reported unanimously, with further perfecting amendments.

#### PAST EFFORTS TO TIGHTEN FISCAL CONTROLS

This proposed legislation would continue the many efforts of the Congress during the past 30 or 40 years to develop more adequate fiscal controls over Federal spending. Among the first of these was the Budget and Accounting Act of 1921, which established the same kind of executive budget in the Federal Government as had been successfully developed in State and local governments. That statute reflected a fairly rapidly expanding pattern of Federal activities, for those days, which had been subjected to the heavy stresses and strains, financial and otherwise, during and after World War I.

Among the basic changes since the 1921 enactment of a national budget system was the transfer of an expanded Bureau of the Budget to the Executive Office of the President under the Reorganization Act of 1939. Subsequent years brought various fiscal problems, notably the recurring deficits in the Federal budget, particularly during the years of World War II. The Employment Act of 1946, with its accompanying creation of a new Council of Economic Advisers immediately under the President, started to weave studies of national economic development and trends into annual budget deliberations. More recently various fundamental aspects of the 1921 budget law were supplemented and modernized by the Budget and Accounting Procedures Act of 1950, which promotes better coordination of Federal accounting and fiscal procedures.

#### *Committee on the Legislative Budget*

The vital need for a congressional counterpart of executive budgeting providing for better congressional analysis and consideration of the appropriations which are proposed in the annual executive budget was recognized by the Congress in enacting section 138 of the Legislative Reorganization Act of 1946. This section of the act made an



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unsuccessful effort to tighten congressional control of the purse strings. It created a joint committee, composed of the members of the 4 taxing and spending committees of the 2 Houses of Congress and directed that committee (a) to compare the estimated total receipts and the total expenditures proposed in the budget for the ensuing year, and (b) to recommend a ceiling on total expenditures to serve as a control on the total amount of appropriations, in line with what the Nation can afford to spend. Although every competent authority agrees that the purpose of this provision is eminently desirable, it proved unworkable in the 80th, and succeeding Congresses. This failure was largely attributed to the cumbersome committee setup involved, and to the lack of necessary staff. To help solve this problem in considerable degree, S. 1805 proposes what this committee believes to be a more practical and workable solution.

A somewhat similar approach to the original objectives of Sec. 138 of the Legislative Reorganization Act of 1946, designed to effect a solution to this problem is embodied in a bill, S. 114, introduced by Senator Dirksen in the present Congress, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress.

*Experience with omnibus appropriation bill*

The Senate adopted a resolution on July 2, 1949, requiring the combination of the traditionally separate appropriation measures in a one-package or omnibus appropriation bill (S. Rept. 616), but the House of Representatives declined to report an omnibus bill, because of the insistence of its Appropriations Committee that existing powers were adequate without statutory change. After a voluntary experiment on such a basis for the single fiscal year 1951, the House Appropriations Committee voted to return to the old procedure of reporting separate appropriation bills. A new resolution designed to restore the omnibus appropriation bill, was introduced in the 83d Congress by Senator Byrd, with 46 other Senators as cosponsors (S. Con. Res. 8). It was amended and reported favorably by the Senate Committee on Rules and Administration, on May 12, 1953 (S. Rept. No. 267).

Two factors were predominant in the congressional attitude toward the omnibus appropriation bill. One was the serious delay in passage, caused by the fact that the Senate was prevented from starting work on the many appropriation items until all of them, controversial and noncontroversial alike, were passed by the House. The other was that an omnibus appropriation bill lends itself to the addition of legislative riders. As a practical matter, the President cannot veto those riders which he deems objectionable unless he is willing to veto the whole omnibus bill and risk financial chaos for the Federal Government. To meet this objection three members of the Senate Committee on Rules and Administration formulated S. 2161, in the 81st Congress a partial-item veto bill, which was introduced on June 29, 1949, and referred to this committee. The bill was never reported because of doubtful constitutionality. Under the provisions of S. 2161, the President would have been authorized to veto all or parts of the appropriation bill passed by the Congress, but insofar as any vetoed amounts were reappropriated by the Congress, restored items could not have been again vetoed by the President.

A new bill, S. 1902, introduced in the 84th Congress by Senator Humphrey, and recently referred to this committee, would authorize a

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Presidential item veto. It also contains other proposals for a consolidated cash budget, a separation of operating from capital expenditures, the scheduling of legislative action on appropriation measures, and requiring yea-and-nay votes on amendments to appropriation bills.

*Percentage cuts in appropriations*

Other recent fiscal proposals which have had serious consideration in the Senate include Senate Joint Resolution 108, reported favorably by this committee in the 81st Congress (S. Rept. 498), which combined the features of 3 pending resolutions, in an effort to bring about a more nearly balanced budget. It would have required the President to make an overall reduction of not less than 5 percent nor more than 10 percent in the total amount of appropriations which he had recommended for the fiscal year 1950. Despite vigorous efforts on the Senate floor, this proposal made no progress. It was, therefore, added as a rider to an appropriation bill which failed by a narrow margin to receive the necessary two-thirds majority under Senate rules, after a point of order had been raised.

A similar across-the-board cut was adopted, however, in the General Appropriation Act of 1951, approved September 6, 1950, which required that an overall cut of \$550 million be made in the—

appropriations, reappropriations, contract authorizations, and reauthorizations made by this act for departments and agencies in the executive branch of the Government \* \* \* without impairing national defense.

Similar efforts toward a flat percentage cut in proposed 1952 appropriations were pressed with vigor in the Senate in connection with appropriation measures, but the final determination was that good legislative practices required direct action on specific items, and that an across-the-board cut was not the proper solution to the problem.

This flat percentage cut type of legislative requirement is an acknowledgment, in the view of the committee, that the Congress does not have the necessary facts to direct specifically indicated economies in Government spending. Flat cuts are always subjected to criticism on the ground that the Congress has a responsibility to vote definite reductions in individually proposed appropriation items. It is also contended that the flat percentage cut adversely and improperly affects in the same degree two entirely different kinds of agencies: (a) Those whose officials are conducting constructive and useful activities in efficient, economical fashion, as against (b) those which are making no efforts to do a good job, and which in some instances have even managed so to pad their budgets that a percentage cut will only reduce them to about the amount they had hoped in the first place to have available for expenditure.

*Alternate balanced budget*

Another fiscal proposal of basic importance was made in Senate Joint Resolution 131 of September 23, 1949, which would have required the President to submit an alternate balanced budget along with his regular budget to provide for the following fiscal year 1951. When Senate Joint Resolution 131 made no progress, it was proposed in substance as a rider to H. R. 1689, the Executive Pay Raise Act of 1949, and was accepted as such by the Senate. It later was stricken in conference.

The committee in approving S. 913 in the 82d Congress also adopted, by a majority vote, an amendment providing for annual submission

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by the President of an alternate balanced budget. The latter budget would parallel the regular budget which the President is required to submit at the beginning of each session of the Congress. While a majority of the committee endorsed this proposal in executive session, the committee preferred that its consideration by the Congress be kept separate from the other aspects of S. 913. An amendment to S. 913 calling for an alternate, balanced budget was submitted by the chairman on the floor of the Senate when the bill was approved April 8, 1952, as directed by a majority of the committee, but was rejected by the Senate, and no similar provision is included in S. 1805 as reported by the committee.

CONCLUSION

The committee unanimously endorses S. 1805 and urges its approval by the Congress in order to help bring about more effective control of the Federal purse. The committee firmly believes that the bill constitutes a realistic program for equipping the Appropriations Committees with adequate staff to provide essential information that will enable those committees and the Congress to arrive at fully informed decisions relative to the essential fiscal requirements of the executive agencies of the Government.

The bill would avoid duplications that are now necessary in providing separate staffs for the two Appropriations Committees, and make them available on a continuing basis. It would also do away with the necessity for either of these committees to procure outside consultants on a temporary basis, or the utilization of personnel of the General Accounting Office, who have other responsible and continuing functions to perform for other committees of the Congress.

Finally, S. 1805 would stimulate joint hearings on pending appropriation measures, without improperly invading the rights and prerogatives of the separate Houses of Congress and of the Appropriations Committees.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (matter omitted enclosed in brackets, new matter printed in italics, existing law in which no change is reported shown in roman):

The Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, is amended as follows:

LEGISLATIVE BUDGET

[SEC. 138. (a) The Committee on Ways and Means and the Committee on Appropriations of the House of Representatives, and the Committee on Finance and the Committee on Appropriations of the Senate, or duly authorized subcommittees thereof, are authorized and directed to meet jointly at the beginning of each regular session of Congress and after study and consultation, giving due consideration to the budget recommendations of the President, report to their respective Houses a legislative budget for the ensuing fiscal year, including the estimated overall Federal receipts and expenditures for such year. Such report shall contain a recommendation for the maximum amount to be appropriated for expenditure in such year which shall include such an amount to be reserved for deficiencies as may be deemed necessary by such committees. If the estimated receipts exceed the estimated expenditures, such report shall contain a recommendation for a reduction in the public debt. Such report shall be made by February 15.

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[(b) The report shall be accompanied by a concurrent resolution adopting such budget, and fixing the maximum amount to be appropriated for expenditure in such year. If the estimated expenditures exceed the estimated receipts, the concurrent resolution shall include a section substantially as follows: "That it is the sense of the Congress that the public debt shall be increased in an amount equal to the amount by which the estimated expenditures for the ensuing fiscal year exceed the estimated receipts, such amount being \$ ."]

JOINT COMMITTEE ON THE BUDGET

Sec. 138. (a) There is hereby created a joint service committee, to be known as the Joint Committee on the Budget (hereinafter in this section called the "joint committee") and to be composed of fourteen members as follows:

(1) Seven Members who are members of the Committee on Appropriations of the Senate, four from the majority party and three from the minority party, to be chosen by such committee; and

(2) Seven Members who are members of the Committee on Appropriations of the House of Representatives, four from the majority party and three from the minority party, to be chosen by such committee.

(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee from which he was chosen, except that the members chosen by the Committee on Appropriations of the House of Representatives who have been reelected to the House of Representatives may continue to serve as members of the joint committee notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection, except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than two weeks, the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled from the Committee on Appropriations of the House of Representatives, the members of such committee who are continuing to serve as members of the joint committee, may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives, to serve until his successor is chosen by such committee.

(c) The joint committee shall elect a chairman and vice chairman from among its members at the first regular meeting of each session: Provided, however, That during even years the chairman shall be selected from among the members who are Members of the House of Representatives and the vice chairman shall be selected from among the members who are Members of the Senate, and during odd years the chairman shall be selected from among the members who are Members of the Senate and the vice chairman shall be selected from among the members who are Members of the House of Representatives.

(d) The joint committee may make such rules respecting its organization and procedures as it deems necessary: Provided, however, That no measure or recommendation shall be reported from the joint committee unless a majority of the committee assent.

(e) It shall be the duty of the joint committee—

(1) (A) to inform itself on all matters relating to the annual budget of the agencies of the United States Government, including analytical, investigative, audit, and other reports on Federal operations prepared by the General Accounting Office pursuant to section 312 of the Budget and Accounting Act, 1921, the Government Corporation Control Act, and section 206 of the Legislative Reorganization Act of 1946, and by other Federal agencies; (B) to provide the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate with such information on items contained in such budget, and the justifications submitted in support thereof, as may be necessary to enable said committees to give adequate consideration thereto; (C) to consider the President's messages on the state of the Union and the Economic Report, to consider all information relating to estimated revenues, including revenue estimates of the Department of the Treasury and the Joint Committee on Internal Revenue Taxation, to consider essential programs, and to consider changing economic conditions; and (D) to report to the Appropriations Committees of the House of Representatives and the Senate its findings with respect to budget estimates and revisions in appropriations required to hold expenditures to the minimum consistent with the requirements of Government operations and national security;

(2) to recommend to the appropriate standing committees of the House of Representatives and the Senate such changes in existing laws as may effect greater efficiency and economy in government;

(3) to make such reports and recommendations to any standing committee of either House of Congress or any subcommittee thereof on matters within the jurisdiction of such standing committee relating to deviations from basic legislative authorization, or to appropriations approved by Congress, which are not consistent with such basic legislative authorization, or to cut-backs in previously authorized programs which require appropriations, as may be deemed necessary or advisable by the joint committee, or as may be requested by any standing committee of either House of Congress or by any subcommittee thereof;

(4) to report to the Committees on Appropriations of the House of Representatives and the Senate at the beginning of each regular session of the Congress the total estimated costs of all programs and projects authorized by the Congress, together with estimated costs of such programs and projects during the fiscal year underway, the ensuing fiscal year, and subsequent fiscal years, and to make such interim reports as may be deemed advisable.

(f) The joint committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the Congress is in session or has adjourned or is in recess; to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems necessary to carry out its functions within the amount appropriated therefor. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(g) The joint committee shall have a staff director, an associate staff director, and such other professional, technical, clerical, and other employees, temporary or permanent, as may be necessary to carry out the duties of the joint committee. Such employees shall be employed without regard to the civil-service laws, and their compensation shall be fixed without regard to the Classification Act of 1949, as amended. The staff director shall be appointed by and responsible to the members of the party of which the chairman of the joint committee is a member, and the associate staff director shall be appointed by and responsible to the members of the opposition party. No person shall be employed by the joint committee unless the members appointing him have favorably considered the data with respect to him submitted by the Federal Bureau of Investigation after a thorough investigation of his loyalty and security.

(h) The joint committee shall make available members of its staff to assist the staffs of the Committees on Appropriations of the House of Representatives and of the Senate and the several subcommittees thereof during the periods when appropriation bills are pending.

(i) Professional and technical employees of the joint committee, upon the written authority of the chairman or vice chairman, shall have the right to examine the fiscal books, documents, papers, and reports of any agency of the United States Government within or without the District of Columbia, and data related to proposed appropriations incorporated in the annual budget transmitted by the President.

(j) The annual budget of the United States shall henceforth include a special analysis of all active long-term construction and development programs and projects authorized by the Congress, showing for each the total estimated cost, and the actual or estimated expenditures during prior fiscal years, the current fiscal year, the ensuing fiscal year, and subsequent fiscal years. All grant-in-aid programs shall be included in this analysis, in a separate grouping, showing under the heading "Subsequent Fiscal Years" for grants of indefinite duration the estimated annual cost for a ten-year period.

(k) Qualified members of the staff of the Bureau of the Budget shall, at the request of the Committee on Appropriations of the House of Representatives or the Senate, or any subcommittee thereof, be assigned to attend executive sessions of the subcommittees of the Appropriations Committees and to explain the content and basis of proposed appropriations.

(l) The Comptroller General of the United States shall, at the request of the chairman of the Joint Committee on the Budget, make such investigations and reports with respect to any agency as will enable such joint committee to give adequate consideration to items relating to such agency which are contained in the budget as submitted by the President, and the justifications submitted in support thereof; and, for this purpose, the Comptroller General is authorized to employ technical and

professional personnel without regard to the civil-service laws, rules, or regulations, and fix their compensation without regard to the Classification Act of 1949, as amended.

(m) When used in this section, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of the Government. Such term includes the Comptroller General of the United States and the General Accounting Office, and includes any and all parts of the municipal government of the District of Columbia except the courts thereof.

(n) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section. Appropriations for the expenses of the joint committee shall be disbursed by the Secretary of the Senate upon vouchers signed by the chairman or vice chairman.

SEC. 2. Effective at the beginning of the second regular session of the Eighty-third Congress, section 133 of the Legislative Reorganization Act of 1946, as amended, is amended by adding at the end thereof the following new subsection:

"(g) (1) All bills and joint resolutions authorizing appropriations reported from committees of the Senate or the House of Representatives shall be accompanied by reports in writing, which shall be printed; and there shall be included in each such report or in an accompanying document an estimate from the department or other agency of the legislative, executive, or judicial branch of the Government primarily concerned of the probable cost of carrying out the legislation proposed in such bill or resolution over the first five-year period of its operation or over the period of its operation if such legislation will be effective for less than five years.

"(2) Estimates received from departments or agencies under this subsection may be submitted by the committees to the Bureau of the Budget for review, and such reviews, when practicable, shall be included in the reports or accompanying documents before said bills and joint resolutions are reported. If the chairman of the committee determines that no existing department or agency is primarily concerned with the legislation, the estimate shall be made by the Bureau of the Budget.

"(3) The Joint Committee shall maintain compilations of all such estimates, and semiannually shall print those compilations (together with any comment of the Bureau of the Budget) for the information of the Congress."

SEC. 3. Section 139 of the Legislative Reorganization Act of 1946, as amended, is amended by adding at the end thereof the following new subsection:

"(e) The Joint Committee on the Budget is authorized to recommend that joint hearings be held by the Committees on Appropriations of the House of Representatives and the Senate, and of subcommittees thereof; but such joint hearings shall not affect the power of the respective committees, and of subcommittees thereof, to conduct separate additional committee hearings, and shall not affect the independence of committee deliberations and decision. The chairman of each such joint hearing shall be the chairman of the Committee on Appropriations, or of the appropriate subcommittee thereof, of the House in which the bill is pending at the time of the hearing, and the vice chairman shall be the chairman of the Committee on Appropriations of the other House, or of the appropriate subcommittee thereof."

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